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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re

SEARS HOLDING CORPORATION, *et al.*,¹

Debtors.

Chapter 11

Case No.: 18-23538 (RDD)

(Jointly Administered)

**LIMITED OBJECTION OF DXC TECHNOLOGY SERVICES LLC TO PROPOSED
CURE AMOUNT AND RESERVATION OF RIGHTS**

DXC Technology Services LLC, successor in interest to Computer Sciences Corporation and CSC Covansys Corporation (“DXC”), by and through its undersigned counsel, hereby submits this limited objection and reservation of rights (the “Limited Objection”) in response the

¹ The Debtors in these chapter 11 cases, along with the last four digits of each debtor’s federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A& E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (none); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart Stores of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest LLC (5379); STI Merchandising Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); Sears Brands Management Corporation (5365); and SRe Holding Corporation (4816). The location of the Debtors’ corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

Notice of Cure Costs and Potential Assumption and Assignment of Executory contracts and Unexpired Leases in Connection with the Global Sale Transaction [ECF No. 1731] (the Cure Notice)” filed by the above-captioned debtors (the “Debtors”). In support of this Limited Objection, DXC states as follows:

1. On or about October 15, 2018 (the “Petition Date”) and continuing thereafter, the Debtors each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Southern District of New York (the “Court”).

2. On November 19, 2018, the Court entered the *Order Approving Global Bidding Procedures and Granting Related Relief* [ECF No. 816], approving global bidding and sale procedures in connection with the sale or disposition of substantially all of the Debtors’ assets.

3. On January 14, 2019, the Debtors commenced an auction for the sale of their assets, and determined that the offer submitted by Transform Holdco, LL, established by ESL Investments, Inc. was the highest or best offer.

4. In connection with their sale process, on January 18, 2019, the Debtors filed the Cure Notice containing a schedule of proposed assumed contracts, together with asserted cure costs.

5. Page 80 at lines 1914 to 1916 of Schedule A attached to the Cure Notice lists the Master Services Agreement between Debtor Sears Holdings Management Corporation and Computer Science Corporation and a related schedule and SOW (collectively, the “MSA”), with a cure amount of \$94,485.00.

6. DXC submits that the actual cure amount due under the MSA is \$125,980.00 (the “DXC Outstanding Amount”), representing outstanding four monthly invoices under the MSA for services rendered from July 1, 2018 to October 31, 2018.

7. Copies of the invoices DXC issued to the Debtor on August 13, 2018, September 8, 2018, October 4, 2018 and November 2, 2018 are attached hereto as Exhibit A.

8. Accordingly, DXC objects to the cure amount proposed in connection with the potential assumption and assignment of the MSA to the extent such amount is less than the DXC Outstanding Amount since payment of anything less than the DXC Outstanding Amount violates section 365(b)(1) of the Bankruptcy Code.

9. This Cure Claim Objection is without prejudice to the fact that other and additional cure claim amounts will accrue on an ongoing basis between the filing of this Limited Objection and any subsequent assumption and assignment of the MSA. DXC expressly reserves its right to amend or supplement its Limited Objection through and including the effective date of any proposed assumption and assignment of the MSA.

Date: January 25, 2019
New York, New York

LECLAIRRYAN, PLLC

/s/ Janice B. Grubin

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